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The Monthly Minute

with State Senator John Pappageorge

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2010 - The Year of Reform

Dear Friend:

We all know Michigan is in the midst of a severe economic downturn. In fact, the budget that begins this October looks to be about \$1.7 billion dollars in the hole. In coming to grips with this issue, two conflicting philosophical differences are what cause legislative gridlock in Lansing. Republicans often favor cuts, which send public servants out the door and Democrats tend to favor tax increases, which send most people up the wall. The middle ground is to reduce the cost of government without cutting services or putting anyone in the already growing unemployment line.

During times of crisis, public servants must be the first to sacrifice. Salary and wages for public employees at the state and local level account for some \$21.5 billion annually, not including health care and other benefits. That is why I have proposed to implement an across-the-board, 5 percent reduction in pay for public servants at every level of government—saving the state and taxpayers more than \$1 billion (with a B!) in its first year.

Furthermore, government employee benefits need to be comparable to those in the private sector. This is why I have joined my colleagues to require government employees to pay 20% of their health care insurance premiums. This reform will further reduce public expenditures by another \$615 million without changing the quality and scope of coverage offered to government employees.

Additional highlights of the Senate reform package include:

- Reducing the number of state departments to 11
- Combining all permitting and licensing into one department
- Expediting the arbitration process for police and fire
- Reducing school administrative costs to direct more resources into the classroom
- Competitively bidding K-12 non-instructional services, including custodial and food (Also my bill—Troy schools alone saved over \$3.8 million by bidding out these services: that's \$315 per pupil!)

All told, these reforms will reduce the cost of government by some \$2 billion. Reforming government to eliminate waste and increase efficiencies remains a top priority of mine. I will continue to support measures that rein in government spending to avoid increasing the tax burden on Michigan citizens.

For more information regarding these reforms please [click here](#) or go to www.senate.michigan.gov/gop/reforms.

I will keep you abreast of the progress on these important reforms.

Sincerely,



John Pappageorge

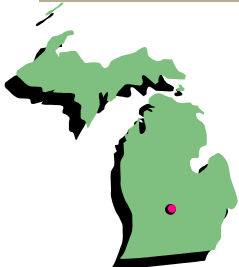
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Senate passes my bill to help fund schools

School districts across the state need every possible tool right now to help ease the burden of funding education. That is why the Michigan Senate recently approved my measure designed to help increase charitable donations to education foundations.

Senate Bill 38, which I sponsored, will encourage parents and concerned residents to contribute to education foundations so that Michigan children continue to receive quality educations.

If signed into law, Senate Bill 38 would allow individuals to receive a tax credit for contributions to an education foundation's endowment fund. This will give parents the opportunity to contribute to school-



oriented programs and, in turn, provide relief to cash-strapped schools.

Under the measure, the maximum credit is \$50 per individual or \$100 for a joint filing and is equal to 50

percent of the amount contributed. Additionally, a resident estate or trust would be limited to 5 percent of a taxpayer's tax liability or \$2,500, whichever is less.

Both Bloomfield Hills Schools Superintendent Steven A. Gaynor and Troy Foundation for Educational Excellence President Mahesh Nayak believe the bill would encourage more people to make charitable donations to school districts across the state.

Sunset removed on tax credit for donated automobiles



A Senate Republican measure recently signed by the governor will offer incentives for residents to continue donating their used automobiles to charity.

Current law provides for an income tax credit to individuals who donate automobiles to certain organizations. The credit was set to expire after the 2009 tax year, but Public Act 195 of 2009 removes that sunset.

The credit is a tremendous incentive for taxpayers who have used cars to donate to charity. It has been a great success, and Senate Republicans are thrilled that charities will be able to continue providing qualified individuals with this means of independence.

Taxpayers can receive a credit equal to 50 percent of a donated vehicle's fair market value, with the maximum credit set at \$50 for single filers and \$100 for joint filers.

Senate Republicans introduce bill to prohibit 'pay to play' politics

A measure to help put an end to "pay to play" politics in Michigan was recently introduced in the state Senate. The bill comes on the heels of recent reports from Detroit media outlets about city council candidates paying for endorsements from local community organizations.

According to The Detroit News, candidates in Detroit elections are routinely required to pay between \$500 and \$2,000 in exchange for support from key groups. Republicans

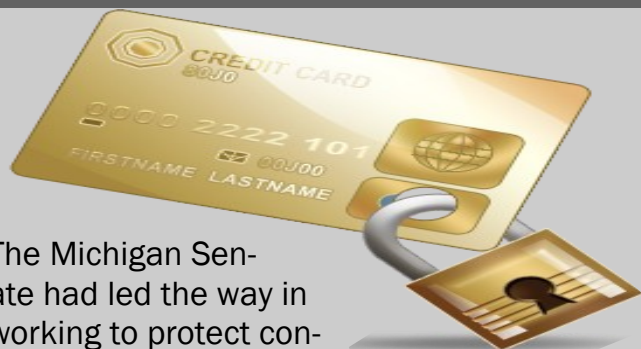
believe that practice raises questions of political corruption and "pay to play."



Senate Bill 984 would prohibit candidates from paying others to endorse their candidacy and create a misdemeanor penalty punishable by up to 90 days in jail and a fine of up to \$1,000.

Michigan voters shouldn't have to worry that the endorsements of unions, community organizations, or associations are for sale. The support of these groups should be given to the candidates they think will do the best job, not the candidates with the biggest checkbooks.

Identity Theft: Protect Your Privacy



The Michigan Senate had led the way in working to protect consumers against identity theft.

We championed legislation that makes it easier for victims to re-establish their credit, restricts the use and display of Social Security numbers and gives law enforcement better tools to track down and prosecute identity thieves.

Along with these groundbreaking measures, we recently passed legislation to fight a special brand of Internet fraud called phishing.

Yet, even with our work to put crooks and con artists out of business, it's important to remember that an informed consumer is the best protection against fraud and deception.

For tips, information and news on everything from privacy protection to product safety, visit my Web site www.SenatorJohnPappageorge.com to access the *Consumer Protection Resource Guide*, or [click here](#).

January Office Hours

Office Hours will be held on Saturday, January 30, at the following locations:

Troy Community Center

3179 Livernois Rd

Troy, MI 48084

9:00—11:00 am

Baldwin Public Library

300 W Merrill St

Birmingham, MI 48009

12:00—2:00 pm

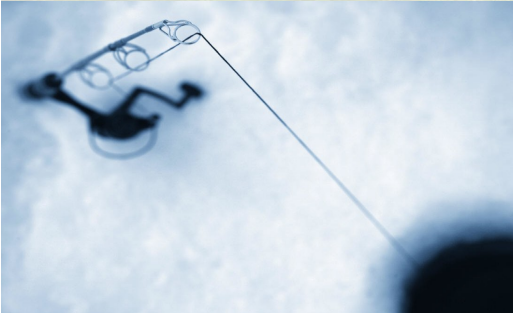
Royal Oak Public Library

222 E 11 Mile Rd

Royal Oak, MI 48067

3:00—5:00 pm

For more information, please contact my office toll free at 1-877-736-1384



Free Ice Fishing Weekend

Mark February 13—14, 2010 on your calendar!

All fishing license fees are waived for residents and out-of-state visitors alike on both inland and Great Lakes waters.



State Senator
John Pappageorge

Check out my web site for legislative updates, helpful resources, upcoming events and more!

www.SenatorJohnPappageorge.com



Questions or Comments?

If you have any questions or comments regarding information in this newsletter, or wish to be removed from or added to the mailing list, please contact my office at the following information:

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